

Oce North America, Incorporated

Frederick H. Colen
Barry J. Coyne
Joshua S. Bish
Reed Smith LLP
435 Sixth Avenue
Pittsburgh, PA 15219

Clyde Siebman
Siebman Reynolds, Burg & Phillips, LLP
300 North Travis Street
Sherman, Texas 75090-0070

Onkyo USA Corporation

Robert F. Zielinski
Wolf, Block, Schorr and Solis-Cohen LLP
1650 Arch Street, 22nd Floor
Philadelphia, Pennsylvania 19103

Barry J. Bendes
Wolf, Block, Schorr and Solis-Cohen LLP
250 Park Avenue
New York, New York 10177

PalmOne, Incorporated

Mark D. Flanagan
Bart E. Volkmer
Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, California 94303-1050

M. Craig Tyler
Wilson Sonsini Goodrich & Rosati
8911 Capital of Texas Highway North
Westech 360, Suite 3350
Austin, Texas 78759-7247

Panasonic Communications Corporation of
America/ Panasonic Mobile
Communications Development Corporation
of U.S.A.

Morton Amster
Abraham Kasdan
Joseph Casino
Amster, Rothstein & Ebenstein, LLP
90 Park Avenue
New York, New York 10016

Eric M. Albritton
Albritton Law Firm
P.O. Box 2649
Longview, Texas 75606-2649

Ricoh Corporation

Anthony C. Roth
Morgan Lewis & Bockius LLP
111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Robert J. Hollingshead
Morgan Lewis & Bockius LLP
Shin-Tokyo Building, 9th Floor
3-1 Marunouchi 3 chome
Chiyoda-ku, Tokyo 100-0005, Japan

Eric M. Albritton
Albritton Law Firm
P.O. Box 2649
Longview, Texas 75606

Riverdeep, Incorporated (d.b.a. Broderbund)

M. Matthews Hall
Kolisch Hartwell, P.C.
200 Pacific Building
520 S.W. Yamhill Street
Portland, Oregon 97204

Savin Corporation

Robert J. Hollingshead
Morgan Lewis & Bockius LLP
Shin-Tokyo Building, 9th Floor
3-1 Marunouchi 3 chome
Chiyoda-ku, Tokyo 100-0005, Japan

Eric M. Albritton
Albritton Law Firm
P.O. Box 2649
Longview, Texas 75606

Thomson Inc.

E. Lee Haag
Marc L. Deflache
Richard S. Zembek
Andrew Price
Fulbright & Jaworski
1301 McKinney
Suite 5100
Houston, TX 77010-3095

Guy N. Harrison
Attorney at Law
217 North Center
Longview, Texas 75601

Xerox Corporation

James P. Bradley
William O. Fifield
Sidley Austin Brown & Wood LLP
717 North Harwood
Dallas, Texas 75201

Lance Lee
Young Pickett & Lee
4122 Texas Boulevard
Texarkana, Texas 75503

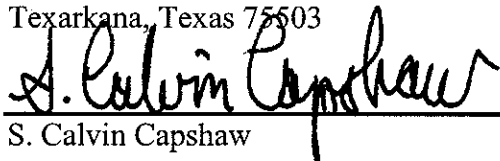

S. Calvin Capshaw

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

FILED-CLERK
U.S. DISTRICT COURT
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Compression Labs, Incorporated,)

Plaintiff,)

v.)

1. Agfa Corporation,)
2. Apple Computer, Incorporated,)
3. Axis Communications, Incorporated,)
4. Canon, USA, Incorporated,)
5. Concord Camera Corporation,)
6. Creative Labs, Incorporated,)
7. Eastman Kodak Company,)
8. Fuji Photo Film U.S.A.,)
9. Fujitsu Computer Products of America,)
10. Gateway, Incorporated,)
11. Hewlett-Packard Company,)
12. JASC Software,)
13. JVC Americas Corporation,)
14. Kyocera Wireless Corporation,)
15. Macromedia, Incorporated,)
16. Matsushita Electric Corporation of)
America,)
17. Mitsubishi Digital Electronics America,)
Incorporated,)
18. Océ North America, Incorporated,)
19. Onkyo U.S.A. Corporation,)
20. PalmOne, Incorporated,)
21. Panasonic Communications Corporation)
of America,)
22. Panasonic Mobile Communications)
Development Corporation of USA,)
23. Ricoh Corporation,)
24. Riverdeep, Incorporated (d.b.a.)
Broderbund),)
25. Savin Corporation,)
26. Thomson, Incorporated)
27. Xerox Corporation,)

Defendants.)

BY _____

C.A. No. 2:04cv158

Judge Folsom

JURY

FIRST AMENDED COMPLAINT

Compression Labs, Inc. ("CLI") for its Complaint against Defendants alleges as follows:

NATURE OF THE ACTION

1. This is a patent infringement action to stop each Defendant's unauthorized and infringing sale, offers to sell, use and importation of products incorporating CLI's patented technology. CLI seeks injunctive relief to stop Defendants from continuing to infringe CLI's valuable patent rights, as well as monetary damages.

THE PARTIES

2. Plaintiff, CLI, is a corporation existing and organized under the laws of Delaware and has its principal place of business at 108 Wild Basin Drive, Austin, TX 78746.

3. Defendant Agfa Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 100 Challenger Road, Ridgefield Park, NJ 07660.

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24. Defendant Panasonic Mobile Communications Development Corporation of USA is a corporation existing and organized under the laws of Delaware and has its principal place of business at 1225 Northbrook Parkway, Suite 2-352, Suwanee, GA 30024.

25. Defendant Ricoh Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 5 Dedrick Place, West Caldwell, NJ 07006.

26. Defendant Riverdeep, Incorporated (d.b.a. Broderbund) is a corporation existing and organized under the laws of Delaware and has its principal place of business at 500 Redwood Boulevard, Novato, CA 94947.

27. Defendant Savin Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 333 Ludlow Street, Stamford, CT 06902.

28. Defendant Thomson, Incorporated is a corporation existing and organized under the laws of Delaware and has its principal place of business at 10330 North Meridian Street, Indianapolis, IN 46290.

29. Defendant Xerox Corporation is a corporation existing and organized under the laws of New York and has its principal place of business at 800 Long Ridge Road, Stamford, CT 06904.

JURISDICTION AND VENUE

30. This action for patent infringement arises under the Patent Laws of the United States, 35 U.S.C. §§ 1 et seq., and in particular 35 U.S.C. §§ 271, 281, 283, 284 and 285. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. 1338(a).

31. This Court has personal jurisdiction over each of the Defendants and venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400.

COUNT 1 – PATENT INFRINGEMENT

32. This case involves technology used to process digital signals. CLI owns patents relating to such technology, and CLI invested substantial amounts in related research and development.

33. United States Patent No. 4,698,672 entitled “Coding System for Reducing Redundancy” (hereinafter “the ‘672 patent”), was duly and legally issued on October 6, 1987. CLI is an owner of the ‘672 patent and, pursuant to an agreement with its co-owner, has the exclusive rights to sue and recover for infringement thereof with respect to the Accused Devices, as hereinafter defined. A copy of the ‘672 patent is attached as Exhibit A.

34. Defendants offer to sell, sell, use, and/or import into the United States devices, at least portions of which are designed to be at least partly compliant with the JPEG standard as defined by CCITT Recommendation T.81 approved on September 18, 1992, entitled

“Information Technology—Digital Compression and Coding of Continuous Tone Still Images—Requirements and Guidelines,” the identical text of which is also published as ISO/IEC International Standard 10918-1, or with any version or variance thereof defining a lossy compression scheme (hereinafter referred to as “the Accused Devices”). The Accused Devices are covered by, and carry out methods that are covered by, one or more claims of the ‘672 patent.

35. Through their actions including offering to sell, selling, using and importing the Accused Devices, Defendants have infringed the aforementioned patent and actively induced others to infringe and contributed to the infringement by others of the ‘672 patent in the United States, including within the jurisdiction of this Court. Certain of the Defendants also have made the Accused Devices in the United States, and such Defendants have also infringed the aforementioned patent by their actions in this regard.

36. CLI is likely to be irreparably harmed by Defendants’ infringement, inducement of others to infringe, and contributory infringement of the ‘672 patent. CLI has no adequate remedy at law.

WHEREFORE, CLI prays for judgment that:

A. United States Patent No. 4,698,672 has been infringed, directly, by inducement, and/or contributorily, by each Defendant;

B. Each Defendant, its officers, agents, servants and employees, and those persons in active concert and participation with any of them, be permanently enjoined from the direct or contributory infringement of, and from inducing others to infringe, United States Patent No. 4,698,672;

C. CLI be awarded damages sufficient to compensate it for each Defendant’s infringement, contributory infringement and inducement of others to infringe, that such damages

be increased to three times the amount found or assessed pursuant to 35 U.S.C. § 284, and that such damages be awarded to CLI with prejudgment interest;

D. That this case be declared exceptional pursuant to 35 U.S.C. § 284 and that CLI be awarded its attorney fees, costs and expenses in this action; and

E. CLI be awarded such other and further relief as the Court may deem just.

CLI DEMANDS A TRIAL BY JURY.

Respectfully submitted,
Compression Labs, Inc.

Dated: June 21, 2004

By: Stephen G. Rudisill by SCC by permitted
Stephen G. Rudisill (*attorney-in-charge*)
Illinois Bar No.: 2417049
Texas Bar No.: 17376050
srudisill@jenkens.com
John C. Gatz
Illinois Bar No.: 6237140
jgatz@jenkens.com
Russell J. Genet
Illinois Bar No.: 6255982
rgenet@jenkens.com
Justin D. Swindells
Illinois Bar No.: 6257291
jswindells@jenkens.com
JENKENS & GILCHRIST, P.C.
225 West Washington Street, Suite 2600
Chicago, Illinois 60606
Tel. (312) 425-3900
Fax (312) 425-3909

S. Calvin Capshaw III
Texas Bar No.: 03783900
ccapshaw@mailbmc.com
BROWN, McCARROLL, L.L.P.
1127 Judson Road, Suite 220
Longview, Texas 75601-5157
Tel. (903) 236-9800
Fax. (903) 236-8787

Franklin Jones, Jr.

Texas Bar No.: 00000055

maiezieh@millerfirm.com

JONES & JONES, Inc., P.C.

201 West Houston Street (75670)

P.O. Drawer 1249

Marshall, Texas 75670-1249

Tel. (903) 938-4395

Fax. (903) 938-3360

Otis Carroll

Texas Bar No.: 03895700

Jack Wesley Hill

Texas Bar No.: 24032294

nancy@icklaw.com

IRELAND, CARROLL & KELLEY, P.C.

6101 South Broadway, Suite 500

Tyler, Texas 75703

Tel. (903) 561-1600

Fax. (903) 581-1071

Carl R. Roth

Texas Bar No.: 17312000

cr@rothfirm.com

Michael C. Smith

Texas Bar No.: 18650410

ms@rothfirm.com

THE ROTH LAW FIRM

115 North Wellington, Suite 200

P.O. Box 876

Marshall, Texas 75670

Tel. (903) 935-1665

Fax (903) 935-1797

ATTORNEYS FOR PLAINTIFF

CERTIFICATE OF SERVICE

I hereby certify that on the 21st day of June, 2004, a true and correct copy of the foregoing FIRST AMENDED COMPLAINT was deposited in the United States Mail, postage prepaid, and addressed to the following counsel of record:

<u>Adobe Systems, Incorporated</u> Robert T. Halsam Heller Ehrman White & McAuliffe LLP 275 Middlefield Road Menlo Park, California 94025-3506	<u>Creative Labs, Incorporated</u> Attention: Legal Department 1901 McCarthy Boulevard Milpitas, California 95035
<u>Agfa Corporation</u> Attention: Legal Department 100 Challenger Road Ridgefield Park, New Jersey 07660	<u>Eastman Kodak Company</u> Nicholas H. Patton Robert W. Schroeder, III Patton, Tidwell & Schroeder, LLP 4605 Texas Boulevard P.O. Box 5398 Texarkana, Texas 75505
<u>Apple Computer Incorporated</u> Herschel Tracy Crawford Eric H. Findlay Ramey & Flock 100 East Ferguson, Suite 500 Tyler, Texas 75702	<u>Fuji Photo Film U.S.A.</u> Attention: Legal Department 200 Summit Lake Drive Valhalla, New York 10595
<u>Axis Communications, Incorporated</u> Barry W. Graham Finnegan, Henderson, Farabow, Garrett & Dunner, L.L.P. 1300 I Street, N.W. Washington, D.C. 20005-3315	<u>Fujitsu Computer Products of America</u> Michael M. Murray Christopher Chalsen Milbank, Tweed, Hadley & McCloy LLP 1 Chase Manhattan Plaza New York, New York 10005-1413
<u>Canon U.S.A., Incorporated</u> Attention: Legal Department One Canon Plaza, Lake Success New York, New York 10042	<u>Gateway, Incorporated</u> W. Bryan Farney Darryl J. Adams Dewey Ballantine LLP 401 Congress Avenue Suite 3200 Austin, Texas 78701-2478
<u>Concord Camera Corporation</u> Kerry Sisselman 400 Hollywood Boulevard Suite 659 North Hollywood, Florida 33021	<u>Hewlett-Packard Company</u> Sean C. Cunningham Bruce Watrous Gray Cary Ware & Freidenrich LLP 401 B Street, Suite 2000 San Diego, CA 92101-4240

<u>JASC Software</u> Deakin T. Lauer Merchant & Gould PC 3200 IDS Center 80 South Eighth Street Minneapolis, Minneapolis 55402 Franklin A. Poff, Jr. Crisp, Boyd & Poff, LLP 2301 Moores Lane P.O. Box 6297 Texarkana, Texas 75505	<u>Matsushita Electric Corporation of America</u> Morton Amster Abraham Kasdan Joseph Casino Amster, Rothstein & Ebenstein, LLP 90 Park Avenue New York, New York 10016 Eric M. Albritton Albritton Law Firm P.O. Box 2649 Longview, Texas 75606-2649
<u>JVC Americas Corporation</u> Attention: Legal Department 1700 Valley Road, Suite 1 Wayne, New Jersey 07470	<u>Mitsubishi Digital Electronics America, Incorporated</u> Attention: Legal Department 9351 Jeronimo Road Irvine, California 92618
<u>Kyocera Wireless Corporation</u> Jennifer P. Ainsworth Wilson, Sheehy, Knowles, Robertson & Cornelius, P.C. 315 East Fifth Street Tyler, Texas 75701	<u>Oce North America, Incorporated</u> Frederick H. Colen Reed Smith LLP 435 Sixth Avenue Pittsburgh, PA 15219 Clyde Siebman Siebman Reynolds Burg & Phillips, LLP Federal Courthouse Square 300 N. Travis St. Sherman, Texas 75090
<u>Macromedia Incorporated</u> Charlene Morrow Fenwick & West LLP 801 California Street Mountainview, California 94041 Harry Lee Gillam, Jr. Melissa Smith Gillam & Smith LLP 110 South Bolivar Street Suite 204 Marshall, Texas 75670	<u>Onkyo USA Corporation</u> Robert F. Zielinski Wolf, Block, Schorr and Solis-Cohen LLP 1650 Arch Street, 22 nd Floor Philadelphia, Pennsylvania 19103 Barry J. Bendes Wolf, Block, Schorr and Solis-Cohen LLP 250 Park Avenue New York, New York 10177

<u>PalmOne, Incorporated</u> Attention: Legal Department 400 North McCarthy Boulevard Milpitas, California 95035	<u>Savin Corporation</u> Attention: Legal Department 333 Ludlow Street Stamford, Connecticut 06902
<u>Panasonic Communications Corporation of America/ Panasonic Mobile Communications Development Corporation of U.S.A.</u> Morton Amster Abraham Kasdan Joseph Casino Amster, Rothstein & Ebenstein, LLP 90 Park Avenue New York, New York 10016 Eric M. Albritton Albritton Law Firm P.O. Box 2649 Longview, Texas 75606-2649	<u>Thomson, Incorporated</u> Attention: Legal Department 10330 North Meridian Street Indianapolis, Indiana 46290
<u>Ricoh Corporation</u> Attention: Legal Department 5 Dedrick Place West Caldwell, New Jersey 07006	<u>Xerox Corporation</u> Attention: Legal Department 800 Long Ridge Road Stamford, Connecticut 06904
<u>Riverdeep, Incorporated (d.b.a. Broderbund)</u> Attention: Legal Department 500 Redwood Boulevard Novato, California 94947	

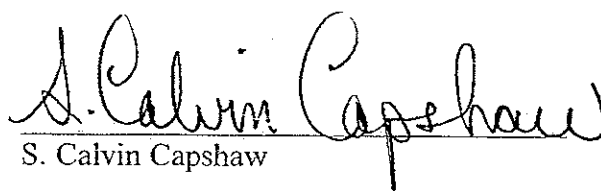

S. Calvin Capshaw

EXHIBIT 2

CONFIDENTIAL

REDACTED

EXECUTION COPY

**FULLY PAID-UP
PATENT LICENSE AGREEMENT**

This Patent License Agreement ("Agreement"), dated and effective as of the 9th day of September, 2003, is made and entered into in duplicate originals by and between FORGENT NETWORKS, INC. ("Forgent") and its wholly-owned subsidiary, COMPRESSION LABS, INC. ("CLP"), each a corporation having its principal office and place of business at 108 Wild Basin Rd., Austin, TX 78746 (hereinafter jointly referred to as "Grantor") and MOTOROLA, INC., with principal offices located at 1303 E. Algonquin Road, Schaumburg, Illinois 60196 (hereinafter referred to as "Grantee"), acting on behalf of itself and in the interest of its Subsidiaries. Grantee and its aforesaid Subsidiaries are hereinafter singularly and jointly referred to as "Licensee."

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Article 4 - Release of MPEG-4 rights; Control of Litigation by Grantor, Etc.

4.2 Licensee and its subsidiaries, including GI, hereby conveys, grants, assigns and otherwise

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releases to Grantor the sole, exclusive and unrestricted right and power to enforce, by licensing, litigation or otherwise, the Jointly Owned Patents in the JPEG Standard field of use from time to time, and to defend any action or actions, involving such field of use, without any accounting to or other rights of Licensee, GI or their respective subsidiaries and agree to execute such other documents as may be reasonably required from time to time by Grantor to make, in Grantor's sole judgment, the foregoing efficient and effective. Further, Licensee, on behalf of itself and on behalf of its subsidiaries, including GI, hereby agrees that Grantor shall have the full sole, exclusive and unrestricted right and power to license third parties and to initiate, control and pursue to judgment or settlement one or more actions under the Jointly Owned Patents, at Grantor's sole cost and expense, based upon the infringement thereof with respect to all fields of use, except the Broadcast Business and the MPEG-4 field of use, and the recovery or recoveries from such actions, whether by settlement or judgment, shall inure solely to the benefit of Grantor; and Licensee, GI and its subsidiaries shall have no interest in any such settlements or recoveries.

- 4.3 Except as hereinabove provided in this Article 4, the License and Co-Ownership Agreement, dated as of June 24, 1996, between Grantor and GI, as successor in interest to Charger Industries, Inc., as amended by that Amendment to License and Co-Ownership Agreement, dated as of July 1, 1997, between Grantor and GI, as successor in interest to Magnitude Compression Systems, Inc. and that Agreement Relating to License and Co-Ownership Agreement, dated effective as of January 25, 2002, between Grantor and GI shall continue in full force and effect, except as provided for herein.

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CONFIDENTIAL

General Instrument Corporation,
for purposes of confirming its agreements
in Article 4 hereof

By: *Jeffrey S. Roman*
Name: Jeffrey S Roman
Title: Executive VP

CONFIDENTIAL

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EXHIBIT 3

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

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U.S. DISTRICT COURT
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Plaintiff,)

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C.A. No. 2-04CV-158

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24. Defendant Panasonic Communications Corporation of America is a corporation existing and organized under the laws of Delaware and has its principal place of business at 7625 Panasonic Way, San Diego, CA 92154.

25. Defendant Panasonic Mobile Communications Development Corporation of USA is a corporation existing and organized under the laws of Delaware and has its principal place of business at 1225 Northbrook Parkway, Suite 2-352, Suwanee, GA 30024.

26. Defendant Ricoh Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 5 Dedrick Place, West Caldwell, NJ 07006.

27. Defendant Riverdeep, Incorporated (d.b.a. Broderbund) is a corporation existing and organized under the laws of Delaware and has its principal place of business at 500 Redwood Boulevard, Novato, CA 94947.

28. Defendant Savin Corporation is a corporation existing and organized under the laws of Delaware and has its principal place of business at 333 Ludlow Street, Stamford, CT 06902.

29. Defendant Thomson S.A. is a corporation existing and organized under the laws of Delaware and has its principal place of business at 10330 North Meridian Street, Indianapolis, IN 46290.

30. Defendant Xerox Corporation is a corporation existing and organized under the laws of New York and has its principal place of business at 800 Long Ridge Road, Stamford, CT 06904.

JURISDICTION AND VENUE

31. This action for patent infringement arises under the Patent Laws of the United States, 35 U.S.C. §§ 1 et seq., and in particular 35 U.S.C. §§ 271, 281, 283, 284 and 285. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. 1338(a).

32. This Court has personal jurisdiction over each of the Defendants and venue is proper in this Court pursuant to 28 U.S.C. §§ 1391 and 1400.

COUNT 1 – PATENT INFRINGEMENT

33. This case involves technology used to process digital signals. CLI owns patents relating to such technology, and CLI invested substantial amounts in related research and development.

34. United States Patent No. 4,698,672 entitled “Coding System for Reducing Redundancy” (hereinafter “the ‘672 patent”), was duly and legally issued on October 6, 1987. CLI is an owner of the ‘672 patent and, pursuant to an agreement with its co-owner, has the exclusive rights to sue and recover for infringement thereof with respect to the Accused Devices, as hereinafter defined. A copy of the ‘672 patent is attached as Exhibit A.

35. Defendants offer to sell, sell, use, and/or import into the United States devices, at least portions of which are designed to be at least partly compliant with the JPEG standard as defined by CCITT Recommendation T.81 approved on September 18, 1992, entitled "Information Technology—Digital Compression and Coding of Continuous Tone Still Images—Requirements and Guidelines," the identical text of which is also published as ISO/IEC International Standard 10918-1, or with any version or variance thereof defining a lossy compression scheme (hereinafter referred to as "the Accused Devices"). The Accused Devices are covered by, and carry out methods that are covered by, one or more claims of the '672 patent.

36. Through their actions including offering to sell, selling, using and importing the Accused Devices, Defendants have infringed the aforementioned patent and actively induced others to infringe and contributed to the infringement by others of the '672 patent in the United States, including within the jurisdiction of this Court. Certain of the Defendants also have made the Accused Devices in the United States, and such Defendants have also infringed the aforementioned patent by their actions in this regard.

37. CLI is likely to be irreparably harmed by Defendants' infringement, inducement of others to infringe, and contributory infringement of the '672 patent. CLI has no adequate remedy at law.

WHEREFORE, CLI prays for judgment that:

A. United States Patent No. 4,698,672 has been infringed, directly, by inducement, and/or contributorily, by each Defendant;

B. Each Defendant, its officers, agents, servants and employees, and those persons in active concert and participation with any of them, be permanently enjoined from the direct or contributory infringement of, and from inducing others to infringe, United States Patent No. 4,698,672;

C. CLI be awarded damages sufficient to compensate it for each Defendant's infringement, contributory infringement and inducement of others to infringe, that such damages

be increased to three times the amount found or assessed pursuant to 35 U.S.C. § 284, and that such damages be awarded to CLI with prejudgment interest;

D. That this case be declared exceptional pursuant to 35 U.S.C. § 284 and that CLI be awarded its attorney fees, costs and expenses in this action; and

E. CLI be awarded such other and further relief as the Court may deem just.

CLI DEMANDS A TRIAL BY JURY.

Respectfully submitted,
Compression Labs, Inc.

Dated: April 22, 2004

By: Stephen G. Rudisill (by pen)
Stephen G. Rudisill (*attorney-in-charge*)

(*attorney to be noticed*)

Illinois Bar No.: 2417049

Texas Bar No.: 17376050

srudisill@jenkens.com

John C. Gatz (*attorney to be noticed*)

Illinois Bar No.: 6237140

jgatz@jenkens.com

Russell J. Genet (*attorney to be noticed*)

Illinois Bar No.: 6255982

rgenet@jenkens.com

Justin D. Swindells (*attorney to be noticed*)

Illinois Bar No.: 6257291

jswindells@jenkens.com

JENKENS & GILCHRIST

225 West Washington St., Suite 2600

Chicago, Illinois 60606

Tel. 312-425-3900

Fax 312-425-3909

Carl R. Roth (*attorney to be noticed*)

Texas Bar No.: 17312000

cr@rothfirm.com

Michael S. Smith (*attorney to be noticed*)

Texas Bar No.: 18650410

ms@rothfirm.com

THE ROTH LAW FIRM

115 North Wellington, Suite 200

Marshall, Texas 75670

Tel. (903) 935-1665

Fax (903) 935-1797

Exhibit A

United States Patent [19]

Chen et al.

[11] Patent Number: **4,698,672**[45] Date of Patent: **Oct. 6, 1987**[54] **CODING SYSTEM FOR REDUCING REDUNDANCY**

[75] Inventors: Wen-hsiung Chen, Sunnyvale; Daniel J. Klenke, Milpitas, both of Calif.

[73] Assignee: Compression Labs, Inc., San Jose, Calif.

[21] Appl. No.: 923,630

[22] Filed: Oct. 27, 1986

[51] Int. Cl.⁴ H04N 7/133; H04N 7/137

[52] U.S. Cl. 358/136; 358/261; 358/262; 375/27

[58] Field of Search 358/136, 135, 133, 261, 358/262; 375/27, 31, 33

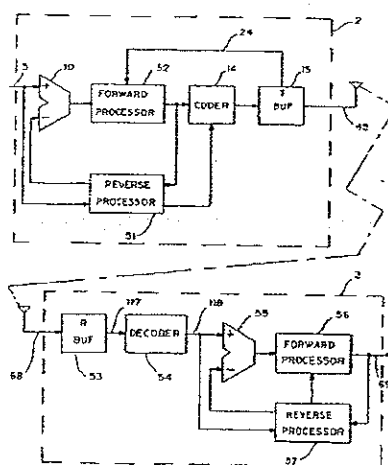
[56] **References Cited****U.S. PATENT DOCUMENTS**

4,302,775	11/1981	Widergren	358/136
4,476,495	10/1984	Fujisawa	358/262
4,520,490	5/1985	Wei	375/27
4,558,370	12/1985	Mitchell	358/262
4,633,325	12/1986	Usubuchi	358/133

Primary Examiner—Howard W. Britton
 Attorney, Agent, or Firm—Fliesler, Dubb, Meyer & Lovejoy

[57] **ABSTRACT**

The present invention relates to methods and apparatus for processing signals to remove redundant information thereby making the signals more suitable for transfer through a limited-bandwidth medium. The present invention specifically relates to methods and apparatus useful in video compression systems. Typically, the system determines differences between the current input signals and the previous input signals using mean-square difference signals. These mean-square signals are processed and compared with one or more thresholds for determining one of several modes of operation. After processing in some mode, the processed signals are in the form of digital numbers and these digital numbers are coded, using ordered redundancy coding, and transmitted to a receiver.

46 Claims, 4 Drawing Figures

U.S. Patent Oct. 6, 1987 Sheet 1 of 3 4,698,672

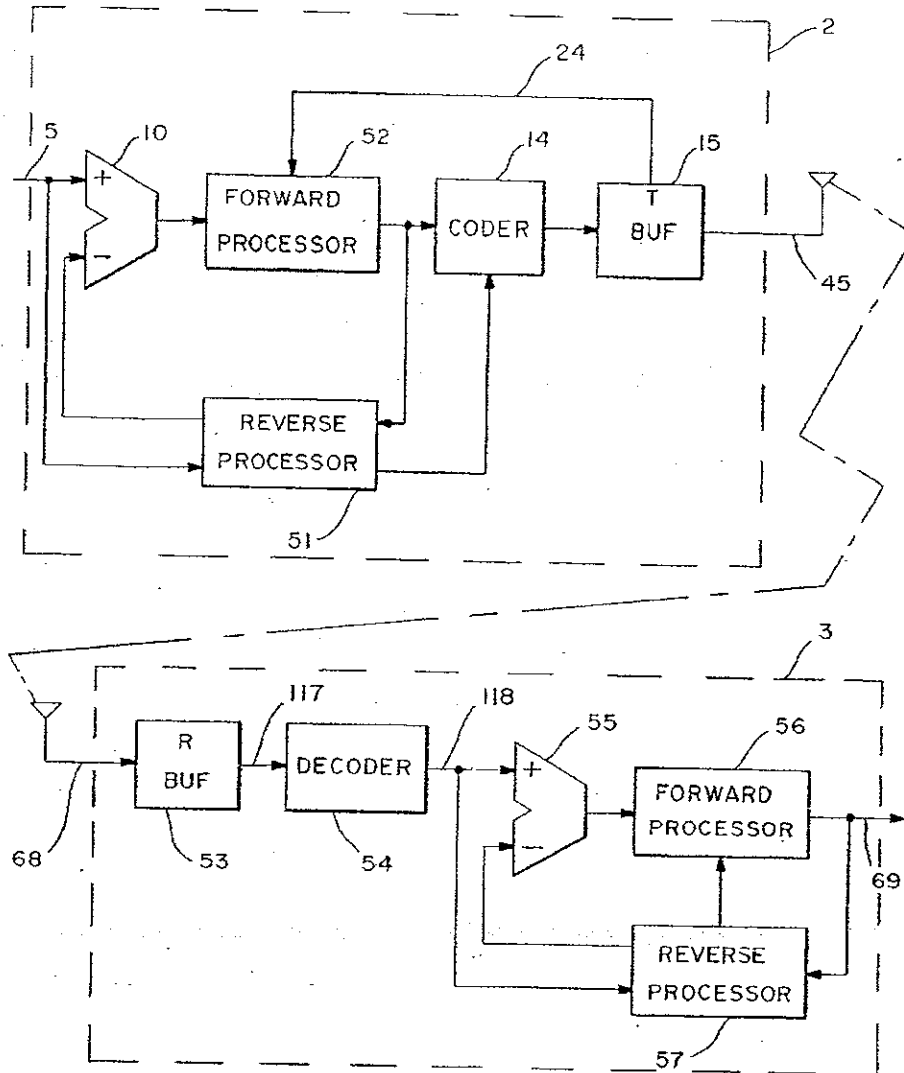


FIG.—1

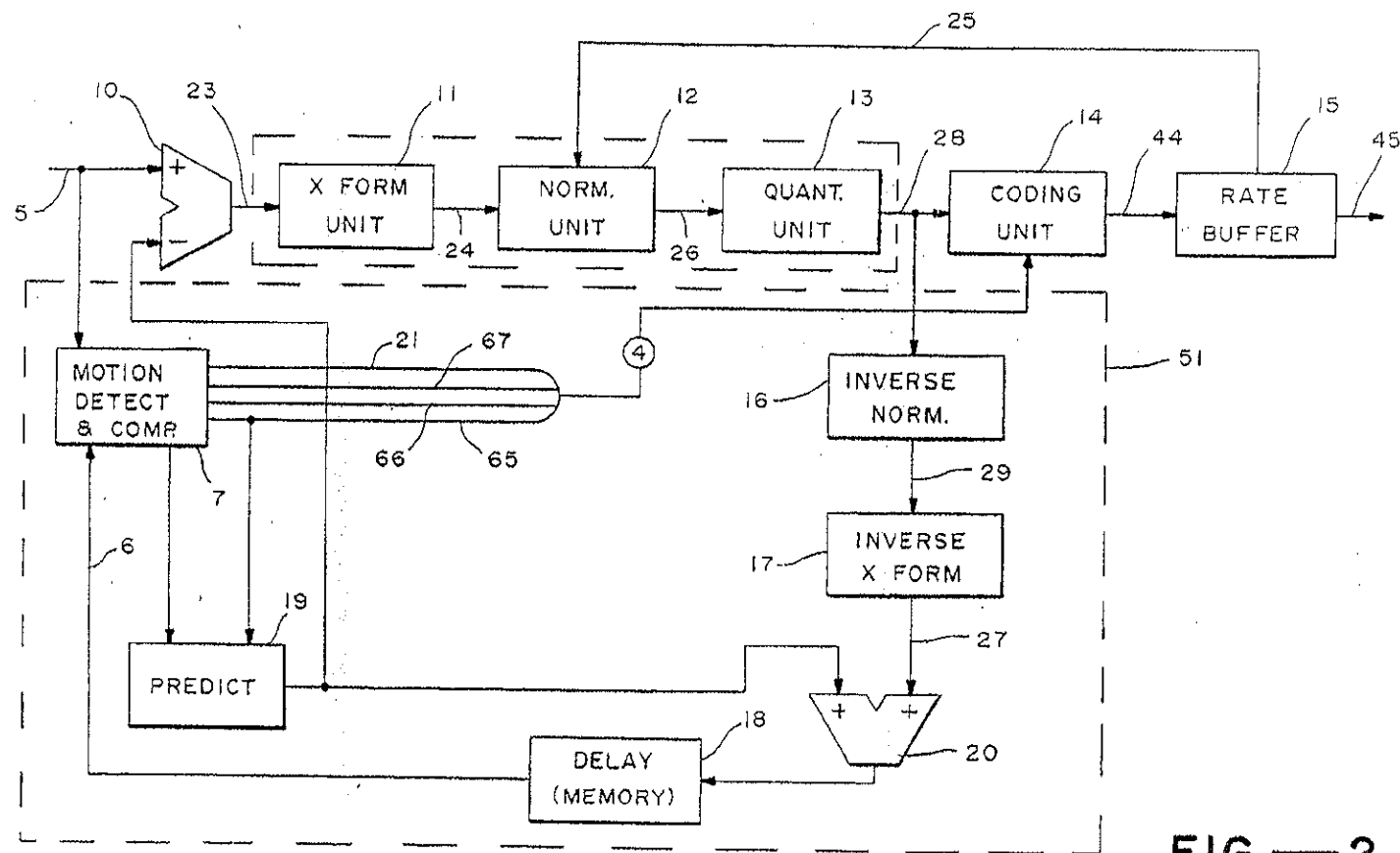


FIG. — 2

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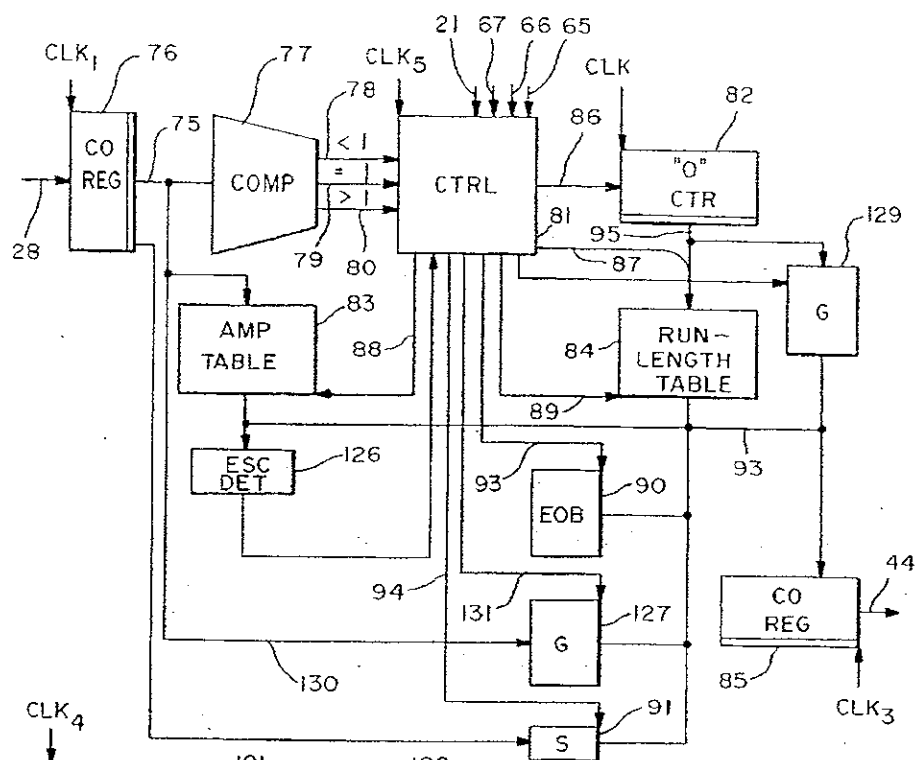


FIG.—3

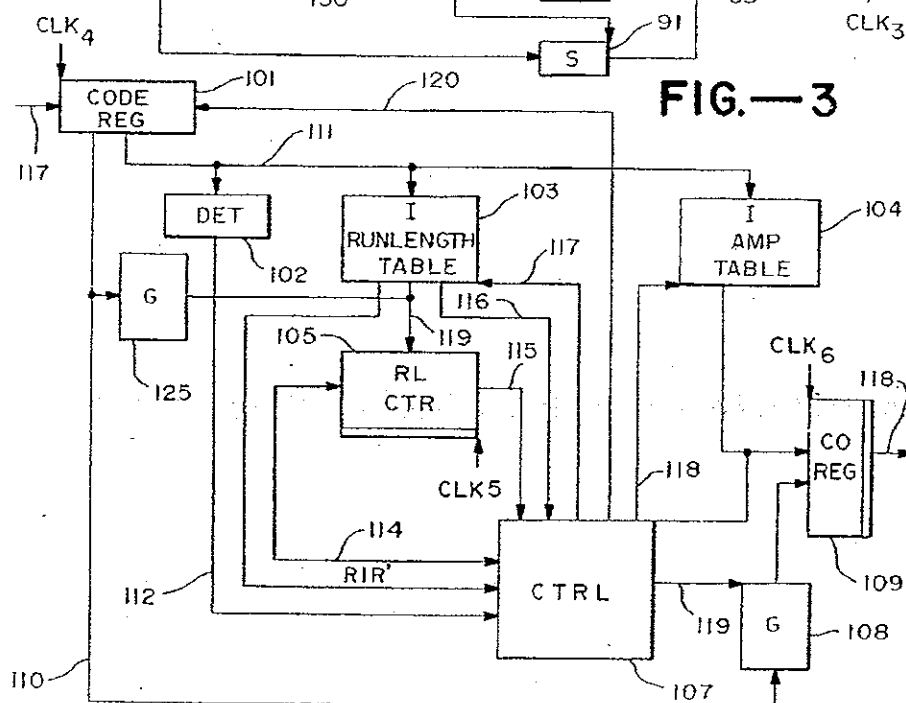


FIG.—4

1

4,698,672

2

CODING SYSTEM FOR REDUCING REDUNDANCY

CROSS-REFERENCE TO RELATED APPLICATION

Title: A COMBINED INTRAFRAME AND INTER-FRAME TRANSFORM CODING SYSTEM
 Ser. No.: 479,766 Filed: 83/03/28 (now abandoned)
 Inventors: Wen-hsiung Chen, James Parker Elliott, Robert Edwin George Newell, Ralph Emerson Nichols, Albert Edwards Rackett

BACKGROUND OF THE INVENTION

The present invention relates to methods and apparatus for processing signals to remove redundant information thereby making the signals more suitable for transfer through a limited-bandwidth medium. The present invention specifically relates to methods and apparatus useful in video compression systems.

Many signal processing techniques useful in video compression systems are known. For example, digital encoding is often employed in processing television signals which are to be transferred over transmission channels since digital data streams are more immune to noise degradation.

In order to digitally encode a television signal, a significant number of bits, 4 or more, may be required to provide for an acceptable range of gray scale for each of the hundreds of thousands of separate picture elements (pixels) which form an image. Consequently, data rates for unprocessed digitalized television signals typically require a bandwidth greater than 40 megabits per second. If the communications link is an earth satellite, an unprocessed video signal typically occupies nearly the entire bandwidth of the satellite, with very few channels, if any, left over for other uses. A T1 communication channel is typical and has only a 1.5 megabit per second bandwidth. A practical yet effective way to reduce the bandwidth of digitalized television signals is needed so that fewer channels are required for transmission over a communications path and so that the quality of transmitted signals is maintained even when reduced bandwidth transmission is employed.

U.S. Pat. No. 4,302,775, assigned to the same assignee as the present invention, describes a scene adaptive coding technique which eliminates redundant information and thereby reduces the bandwidth.

The patent describes a single-pass digital video compression system which implements a two-dimensional cosine transform with intraframe block-to-block comparisons of transform coefficients without need for preliminary statistical matching or preprocessing.

Each frame of the video image is divided into a predetermined matrix of spatial subframes or blocks. The system performs a spatial domain to transform domain transformation of the picture elements of each block to provide transform coefficients for each block. The system adaptively normalizes the transform coefficients so that the system generates data at a rate determined adaptively as a function of the fullness of a transmitter buffer. The transform coefficient data thus produced is encoded in accordance with amplitude Huffman codes and zero-coefficient runlength Huffman codes which are stored asynchronously in the transmitter buffer. The encoded data is output from the buffer at a synchronous rate for transmission through a limited-bandwidth medium. The system determines the buffer fullness and

adaptively controls the rate at which data is generated so that the buffer is never completely emptied and never completely filled.

In the system receiver, the transmitted data is stored in a receiver buffer at the synchronous data rate of the limited-bandwidth medium. The data is then output from the receiver buffer asynchronously and is decoded in accordance with an inverse of the encoding in the transmitter. The decoded data is inversely normalized and inversely transformed to provide a representation of the original video image.

The U.S. Pat. No. 4,302,775 patents reduces redundancy by employing intraframe coding techniques utilizing intraframe comparisons of cosine transform coefficients. While the patent provides significant improvement over other techniques, there is a need for even greater compression.

In addition to intraframe coding techniques, interframe coding techniques have been used to reduce the rate required for video transmission as described, for example, in the above-identified application. Typically, each video frame is held in memory at both the transmitter and the receiver and only frame-to-frame changes are transmitted over the communication link. In contrast to intraframe coding schemes in which the quality of coded images is dependent upon the amount of detail in each single image frame, the quality of the coded image in interframe coding is dependent upon the differences from frame to frame. Frame-to-frame differences are often referred to as "motion".

Interframe coding techniques are broadly classified into two categories, namely, spatial domain coding and transform domain coding. In real-time interframe spatial-domain coding systems, spatial domain data can be threshold processed to obtain and store frame difference signals in a transmitter buffer. The threshold value can be adaptively determined as a function of the transmitter buffer fullness. In order to eliminate the image breakdown, both spatial and temporal subsampling has been proposed.

The above-identified U.S. patent application entitled "A Combined Intraframe and Interframe Transform Coding System" employs intraframe and interframe variable prediction transform coding. Images are represented by sequential frames of two-dimensional arrays of digital signals. The digital signals are transformed to form transform coefficients for each frame. Predicted transform coefficients are formed using sets of variable prediction factors. The predicted transform coefficients for each frame are compared with corresponding actual transform coefficients for the frame to form transform coefficient difference signals. The difference signals are processed to control their range of values. The processed difference signals are statistically coded such that the more frequently occurring values are represented by shorter code lengths and the less frequently occurring values are represented by longer code lengths. The coded signals are stored in a buffer memory for transmission. The coded signals in the buffer memory are transmitted, over a limited-bandwidth medium, to the receiver along with processing information. The processing information includes codes identifying the set of variable prediction factors utilized in the transmitter. The same set of variable prediction factors is utilized in the receiver to reconstruct predicted transform coefficients which in turn are used to reconstruct representations of the original images in the transmitter.